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CAPITAL REPORT

Is US Aid Buying Cars For Laotians?

By FULTON LEWIS, JR.

WASHINGTON, March 10.—This essay has to do with President Eisenhower's "indispensable" Foreign Aid program, as administered in the Kingdom of Laos.

I have never visited Laos; few Americans have. But for purposes of identification it is one of the three Kingdoms of Indo-China and it lies between Red China and Thailand with a Western boundary on Burma.

I do have, however, an abundance of documentation on the \$50 million a year program of economic aid, which we are bestowing on the country, and it bears out the statement of Laotian Prince Souphanouvong in a recent Bangkok newspaper that the money has been spent to "insure the comfort and luxury of certain government leaders and foreign merchants." Also that the program is being administered in "a corrupt manner."

THE CAPITAL and only appreciable city in Laos is Vientiane, which is on the lazy, sprawling Mekong River which separates the country from Thailand. The country is disease ridden and without sanitation even in the capital.

The head of the Foreign Aid program there—officially designated as the US Operations Mission (USOM)—has been one Carter DePaul, a 39-year-old State Department foreign serv-

ice officer who has been there since 1955.

In the lingo of his subordinates and others, Mr. DePaul had "the largest Cadillac, the largest house and the largest belly in all of Laos." From an original staff of a mere handful, he had bloated it to more than a hundred as of April of 1956, and, I am informed from Vientiane, it now is several times that size.

INCLUDED in the economic aid is an educational program, by which young Laotians are sent to the University of Bangkok for training in poultry raising, police work, agriculture and many other fields.

One of my correspondents on the scene reports to me that these students have been given their expense and scholarship money in American dollars on the basis of the pegged rate of exchange of the Laotian currency: exchange of the Laotian currency unit—the "kip," at one dollar for 35 kip.

The open market rate of dollar exchange is between 105 and 110 kip to the dollar, which means the students are being given three times what they are supposed to be getting. My correspondent reports:

"These dollars they exchange for sufficient kip to pay for their rice and fish, with extravagant profits, which they put into Mercedes Benz cars, but the people selected for training



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MERRY WASHINGTON
"I thought we'd seen an end to this interservice rivalry."

and special privileges are often in a position to make more money on the side, by diversion of material.

"Some officials, making the equivalent of \$100 to \$120 a month have purchased cars valued at \$2,500. One of the roots of this many-rooted evil is the fact that USOM-Laos hands over the money and does not insist on any accounting for it. An honest official who tries to obtain an accounting or keep a check on the donations is soon warned to 'go easy' and don't offend the Laotians.

"The ridiculous excuse for this attitude is: 'If we don't give it to them without strings attached, they'll get it from Russia.'"

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